cases holding that the rules of adverse possession between strangers are radically modified by the existence of parental and filial relations between the parties can scarcely be supported. *O'Boyle* v. *McHugh*, 66 Minn. 390. A slight inference will naturally be raised by the relation, but a presumption shifting the burden of proof hardly seems necessary for the adequate protection of adult progeny.

BANKRUPTCY — PROVABLE CLAIMS — RIGHTS OF SECURED CREDITOR. — After the filing of the petition in bankruptcy a creditor of the bankrupt liquidated his security, which was not sufficient to satisfy his whole claim. *Held*, that he cannot apply the proceeds first to interest accruing since the filing of the petition, then to principal, and then prove for the balance. *Sexton* v. *Dreyfus* (U. S. Sup. Ct., Jan. 23, 1911).

This reverses the decision in the lower court, criticized in 23 HARV. L. REV. 219.

BILLS AND NOTES — CHECKS — MISAPPLICATION OF FUNDS OF CORPORATION BY OFFICER INDORSING ITS CHECKS. — A, the president of the plaintiff corporation, deposited in the defendant bank to the account of A & Son, a firm of which he was a member, checks payable to the plaintiff corporation, indorsed in blank in its name by "A, president," and then indorsed to the defendant in the name of A & Son. These transactions lasted four months, and included some ninety checks. The plaintiff sued to charge the bank with the amount of these checks, which the bank had allowed A & Son to draw out. *Held*, that the plaintiff can recover. *Niagara Woolen Co.* v. *Pacific Bank*, 141 N. Y. App. Div. 265.

From the form of these checks, it was apparent that the corporation's funds were being used by its president in his private capacity, and those facts were sufficient, especially in view of the large number of checks, to put the defendant upon inquiry as to A's authority. *Squire* v. *Ordemann*, 194 N. Y. 394. See *Capital City Brick Co.* v. *Jackson*, 2 Ga. App. 771. When property is accepted under circumstances which ought to start an inquiry, the holder is charged with notice of all facts which a reasonable inquiry would have disclosed. See *Rochester & Charlotte Turnpike Road Co.* v. *Paviour*, 164 N. Y. 281, 286. Thus it has been held that where a check, signed "X, Agent," is received in payment of a personal debt of X, or where stock in the name of "Y, trustee," is pledged to secure the pledgor's personal debt, the recipient is put upon inquiry by the form of the instruments and accepts them at his peril. *Gerard* v. *McCormick*, 130 N. Y. 261; *Shaw* v. *Spencer*, 100 Mass. 382. The principal case follows a recent New York case which applied the same principles of notice where a bank allowed a treasurer to deposit corporation funds to his individual account, and then check out against it. *Havana Central Railroad Co.* v. *Knickerbocker Trust Co.*, 135 N. Y. App. Div. 313 (reversed on another point in 198 N. Y. 422).

BONDS — INCOME BONDS — WHETHER INTEREST HAS BEEN EARNED. — A railway company that had issued mortgage bonds on which interest was to be paid only as earned, insisted that its earnings during the years in dispute were insufficient to pay the interest. *Held*, that the interest had been earned in spite of the subtlety of the company's bookkeeping. *Central of Georgia Ry. Co.* v. *Central Trust Co. of New York*, 69 S. E. 708 (Ga., Sup. Ct.).

It is always difficult to calculate the true earnings of a corporation, yet it must be done every time a dividend is declared. Ordinarily, however, a stockholder would not question a smaller dividend, for the undistributed earnings, as surplus, would increase the value of his stock. On the other hand income-bond holders would want every possible cent of the earnings paid to them as